

In the Matter of:)
)
Application for Certification))
San Francisco Electric) Docket No. 04-AFC-1
Reliability Project)
)

SACRAMENTO, CALIFORNIA

10:09 A.M.

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

COMMITTEE MEMBERS PRESENT

James D. Boyd, Presiding Member

John L. Geesman, Associate Member

HEARING OFFICER, ADVISORS PRESENT

Gary Fay, Hearing Officer

Peter Ward, Advisor

STAFF AND CONSULTANTS PRESENT

Dick Ratliff, Staff Counsel

William Pfanner, Project Manager

James Adams

Mark Hesters

Lawrence Tobias

California Independent System Operator

PUBLIC ADVISER

Nicholas Bartsch

APPLICANT

Jeanne Sol,, Deputy City Attorney
City and County of San Francisco

Emilio "Gene" Varanini, Special Counsel
California Power Authority

Loren D. Bloomberg
John L. Carrier
Fatuma I. Yusuf
CH2M HILL

Barry R. Flynn
Flynn RCI

INTERVENORS

Robert Sarvey

ALSO PRESENT

Francisco DaCosta, Director
Environmental Justice Advocacy

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

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P R O C E E D I N G S

10:09 a.m.

HEARING OFFICER FAY: Good morning.

We're on the record. This is a continuation of the April 27th evidentiary hearing in the San Francisco Electric Reliability project.

To my left is Presiding Committee Commissioner Jim Boyd. And to my right is Associate Commissioner John Geesman. To Commissioner Boyd's left is his Advisor, Peter Ward. My name is Gary Fay; I'm the Hearing Officer on this.

And we already took appearances, and I see no reason to spend further time on that. The same parties are present. I just will ask if we have any members of the public present at this hearing who may wish to address the Commission at some time.

All right. Do we have any parties online?

MR. BARTSCH: Yes, Nick Bartsch, Public Adviser's Office. We understand that Francisco DaCosta may be calling in; and watching the monitor here so that to catch his call. And also possibly Mike Boyd indicated that he may call in.

1 HEARING OFFICER FAY: Are they on the
2 line at this time?

3 MR. BARTSCH: No, they are not.

4 HEARING OFFICER FAY: Okay. Thank you,
5 Mr. Bartsch. Did you want to say anything further
6 on behalf of the Public Adviser's Office?

7 MR. BARTSCH: No, not at this time.

8 HEARING OFFICER FAY: All right. Any
9 preliminary matters from any of the parties?

10 MS. SOL : Yes, Your Honor. I had two
11 preliminary matters. The first is that there was
12 testimony circulated on Friday by Mr. Boyd, which
13 I think was titled, local system effects. And we
14 would object to its introduction at this time.
15 It's late; it's basically -- it's beyond the
16 deadlines; it's mostly hearsay referring to
17 testimony that we already objected to on Thursday,
18 a restatement of one of the applicant's data
19 requests. So, we would --

20 HEARING OFFICER FAY: Is this the
21 document entitled, testimony of Martin Homec?

22 MS. SOL : That's correct.

23 HEARING OFFICER FAY: Okay. All right,
24 is there any response? You say -- it's not even
25 clear who submitted it. You say CARE submitted

1 it, is that --

2 MS. SOL : It was attached to an email
3 by Michael Boyd.

4 HEARING OFFICER FAY: Okay. Mr. Boyd,
5 do you wish to respond to the objection? Does
6 staff have a response?

7 MR. RATLIFF: We would agree that the
8 objection is valid. We received it only Friday.
9 Our witnesses haven't seen it. So we would join
10 in the objection.

11 HEARING OFFICER FAY: Mr. Sarvey?

12 MR. SARVEY: Well, as I read the
13 testimony I didn't see any entitlement as to local
14 systems effects. I kind of construed that as an
15 alternatives testimony. And since the
16 alternatives testimony is still three weeks away,
17 I have no objection to its admission.

18 MR. DaCOSTA: Hello?

19 MR. BARTSCH: Just hold on, please.
20 Who's this? Identify yourself, please.

21 MR. DaCOSTA: My name is Francisco
22 DaCosta.

23 MR. BARTSCH: Okay, just hold on,
24 please, until the Chairman calls upon you.

25 HEARING OFFICER FAY: Okay, welcome, Mr.

1 DaCosta.

2 MR. DaCOSTA: How are you, sir?

3 HEARING OFFICER FAY: We'll be with you
4 in just a moment.

5 MR. DaCOSTA: Okay.

6 HEARING OFFICER FAY: Well, I'm loathe
7 to let the applicant characterize another party's
8 testimony. Mr. Homec's testimony will not be
9 received today because it was not timely filed for
10 the topics we're addressing today.

11 If he does intend it to be used in the
12 later set of hearings beginning May 22nd, and can
13 show the relevancy to the topics we're dealing
14 with at that time, then perhaps it can be
15 considered. Although we have no indication that
16 Mr. Homec intended to file testimony. The
17 Committee will take it under advisement. But as
18 to today's hearing, the objection is sustained.

19 Anything further?

20 MS. SOL : One second matter, Your
21 Honor. The hearing notice states as applicant's
22 witnesses Mr. Brock and Mr. Flynn. We, in fact,
23 did not have a local system effects section. We
24 had a purpose and needs section which was the
25 subject of cross-examination on Thursday.

1 HEARING OFFICER FAY: Do your witnesses
2 have anything further to add in support of the
3 project's impact on local system effects?

4 MS. SOL : Not at this time. Mr. Flynn
5 is here in case the Committee has any questions,
6 but not at this time.

7 HEARING OFFICER FAY: Okay. I'm glad
8 he's here in case questions do come up, perhaps in
9 conjunction with the staff's presentation.

10 Anything further, Ms. Sol,?

11 MS. SOL : No, Your Honor.

12 HEARING OFFICER FAY: Okay. Mr.
13 Ratliff, any preliminary matters?

14 MR. RATLIFF: No.

15 HEARING OFFICER FAY: Okay. And, Mr.
16 Sarvey, do you have anything preliminary?

17 MR. SARVEY: Yeah, I have one thing. It
18 seems that a couple intervenors are going to
19 proffer some testimony today for I guess air
20 quality. And I just wanted to reserve my right to
21 cross-examine them when that does happen. I
22 didn't list it on my prehearing conference
23 statement since I didn't know they were going to
24 participate.

25 HEARING OFFICER FAY: I'm sorry, could

1 you repeat --

2 MR. SARVEY: A couple of intervenors,
3 I guess Community Power and Potrero Boosters,
4 have --

5 HEARING OFFICER FAY: Oh, yes, um-hum.

6 MR. SARVEY: -- have shown some
7 intention to file some testimony.

8 HEARING OFFICER FAY: They've been
9 granted leave to file by today.

10 MR. SARVEY: And I just want to reserve
11 my right to cross-examine them on that testimony.

12 HEARING OFFICER FAY: No problem.
13 Certainly.

14 MR. SARVEY: Thank you.

15 HEARING OFFICER FAY: And until you see
16 it you don't know really what you have --

17 MR. SARVEY: Absolutely. Thank you.

18 HEARING OFFICER FAY: Okay. That's not
19 a problem.

20 I just will remind the parties that as a
21 result of our original scheduling and the
22 agreement reached at the last hearing, the
23 following topics will be taken up on May 22nd:
24 Alternatives, air quality, public health, biology,
25 environmental justice and waste and soil and water

1 resources. Is there any question about that?

2 MR. RATLIFF: Is biology actually one of
3 the issues that was to be adjudicated?

4 HEARING OFFICER FAY: I believe so. I
5 believe that either CARE or Mr. Sarvey had --
6 actually had a witness on that.

7 MR. SARVEY: CARE does, not me.

8 HEARING OFFICER FAY: You don't?

9 MR. SARVEY: No, I don't.

10 HEARING OFFICER FAY: But CARE does.

11 MR. SARVEY: I believe so.

12 HEARING OFFICER FAY: Yeah.

13 MR. SARVEY: It was listed in the
14 prehearing conference statement, so.

15 HEARING OFFICER FAY: Yeah. It's in the
16 prehearing conference statement, I believe.

17 The notice of that hearing will be
18 coming out probably by the end of this week, I
19 believe. Okay.

20 Anything further? All right. Ms. Sol,,
21 why don't we begin with traffic.

22 MS. SOL : Okay.

23 (Pause.)

24 MS. SOL : Your Honor, I'd like to call
25 witness Loren Bloomberg to address this topic.

1 HEARING OFFICER FAY: All right. Would
2 the court reporter please swear the witness.
3 Whereupon,

4 LOREN BLOOMBERG
5 was called as a witness herein, and after first
6 having been duly sworn, was examined and testified
7 as follows:

8 THE REPORTER: Have a seat and spell
9 your full name, please.

10 MR. BLOOMBERG: Loren Bloomberg,
11 L-o-r-e-n B-l-o-o-m-b-e-r-g.

12 MS. SOL : And Mr. Bloomberg's
13 qualifications are attached in appendix A to the
14 prehearing conference statement of the City.

15 DIRECT EXAMINATION

16 BY MS. SOL :

17 Q Mr. Bloomberg, do you have before you
18 the testimony that was submitted by the City on
19 April 17th?

20 A Yes.

21 Q Okay. And do you have before you the
22 section 1C, prior filings?

23 A Yes.

24 Q And are you sponsoring the documents
25 listed under prior filings, that is on page 28 of

1 that testimony, traffic and transportation?

2 A Yes.

3 Q Okay. Do you have any corrections or
4 additions to make to those documents at this time?

5 A No.

6 Q To the extent there are facts in those
7 documents are they true to the best of your
8 knowledge?

9 A Yes.

10 Q And to the extent there are opinions in
11 those documents do they represent your
12 professional judgment?

13 A Yes.

14 MS. SOL : The witness is available for
15 cross-examination.

16 HEARING OFFICER FAY: Ms. Sol,, before
17 we do that, could you move those portions of the
18 testimony in and list them by exhibit number?

19 MS. SOL : Yes, Your Honor, I apologize.
20 It's a portion of exhibit 3, that's data response
21 set 1A, dated July 6, 2004, data request 57 and 58
22 and 62 through 68. Supplement A, the section on
23 traffic and transportation, dated March 24, 2005,
24 that's exhibit 15. A portion of exhibit 39, the
25 applicant's comments on the preliminary staff

1 assessment, set 1, comment 67. That document is
2 dated October 12, 2005.

3 HEARING OFFICER FAY: That's exhibit 5-
4 9?

5 MS. SOL : Exhibit 39.

6 HEARING OFFICER FAY: Oh, 39.

7 MS. SOL : Exhibit 40, applicant's
8 comments on the preliminary staff assessment, set
9 2. It's an unnumbered comment labeled traffic and
10 transportation. And that document is dated
11 October 31, 2005.

12 And then exhibit 16, which is supplement
13 B to the application for certification for the San
14 Francisco Electric Reliability project, the
15 section 3.11 on traffic and transportation. And
16 that document is dated January 11, 2006.

17 And I'd like to move to have those
18 documents entered into the record.

19 HEARING OFFICER FAY: Any objection?
20 All right, hearing none, so moved. And is the
21 witness available?

22 MS. SOL : Yes, he is, Your Honor.

23 HEARING OFFICER FAY: Does the staff
24 have any questions?

25 MR. RATLIFF: No.

1 HEARING OFFICER FAY: Mr. Sarvey, do you
2 have any questions?

3 MR. SARVEY: Yes, I do.

4 CROSS-EXAMINATION

5 BY MR. SARVEY:

6 Q On page 8.10-27 of your testimony you
7 address the cumulative impacts of the project.
8 And I notice that you single out the Muni Third
9 Street rail project. But is there not several
10 other construction projects that will be occurring
11 at the same time in that area?

12 A At the time it was written we had reason
13 to believe that the Muni project would be
14 occurring simultaneously with the construction of
15 this project. We didn't have definitive
16 information on other projects. But since that was
17 written we have -- there has been new information.

18 Q And have you assessed the level of
19 service impacts from those new projects?

20 A There was an update to the level of
21 service impact, level of service impact
22 assessment, which was in -- get the right letter -
23 - that was done by staff, that was done for four
24 new projects. Yes, that was done; yes, an update
25 was done. It isn't part of the testimony, though.

1 It wasn't part of this submitted testimony.

2 Q Do you have a copy of it?

3 A Yes. It was done by James Adams.

4 Q Okay. Oh, so it's staff testimony?

5 A Staff testimony, yes.

6 Q Okay. So, you, yourself, haven't done
7 any analysis of the cumulative impacts of those
8 additional projects, then?

9 A I didn't do it, I did talk with Mr.
10 Adams.

11 Q Okay. Thank you.

12 A When he was doing it.

13 Q On page 8.10-25 of your testimony, and
14 your table 8.10-7, you have listed water treatment
15 chemicals will be delivered up to four times a
16 week. Can you describe what water treatment
17 chemicals are involved here?

18 A I do not know the specifics of the
19 chemicals that would be included there. Our
20 analysis is based on the number of trucks and the
21 frequency. So the details of what are in those
22 trucks, I don't know beyond what's written here.

23 Q So you don't know whether there's sodium
24 hypochlorite involved in each one of those
25 deliveries?

1 A I do not.

2 Q Okay.

3 MR. SARVEY: That's all I have, thanks.

4 HEARING OFFICER FAY: Okay. Anything
5 further, Ms. Sol,?

6 MS. SOL : No, Your Honor.

7 HEARING OFFICER FAY: All right. Then
8 we thank Mr. Bloomberg and we'll move to the
9 staff.

10 MR. RATLIFF: The staff witness is Mr.
11 James Adams.

12 HEARING OFFICER FAY: Mr. Adams needs to
13 be sworn, I believe.
14 Whereupon,

15 JAMES ADAMS
16 was called as a witness herein, and after first
17 having been duly sworn, was examined and testified
18 as follows:

19 THE COURT REPORTER: Please state and
20 spell your full name for the record.

21 MR. ADAMS: James Adams, J-a-m-e-s
22 A-d-a-m-s.

23 DIRECT EXAMINATION

24 BY MR. RATLIFF:

25 Q Mr. Adams, did you prepare the portion

1 of the staff FSA entitled traffic and
2 transportation?

3 A Yes, I did.

4 Q Do you have any revisions to make to
5 that testimony?

6 A Not at this time.

7 Q Is that testimony true and correct to
8 the best of your knowledge and belief?

9 A Yes, it is.

10 Q Could you summarize very briefly what
11 your testimony states and concludes?

12 A Well, it concludes basically that with
13 appropriate mitigation that the traffic and
14 transportation impacts of the project would not
15 have a significant adverse impact on the current
16 conditions. And that cumulatively speaking, with
17 the projects that we anticipate coming on, that we
18 do not believe that it would have either a direct,
19 indirect or cumulative adverse impact on the
20 traffic and transportation system in the local
21 area.

22 Q Does that conclude your summary?

23 A Yes, it does.

24 MR. RATLIFF: The witness is open for
25 cross-examination. Would you like me to move the

1 admission of his testimony at this time?

2 HEARING OFFICER FAY: Yes.

3 MR. RATLIFF: Move that be entered into
4 the record, then.

5 HEARING OFFICER FAY: Is that the
6 traffic and transportation portion of exhibit 46?

7 MR. RATLIFF: Yes.

8 HEARING OFFICER FAY: All right. Is
9 there any objection to staff's motion? Hearing
10 none, so moved. That will be entered into the
11 record at this point.

12 The witness is available. Ms. Sol,.

13 MS. SOL : No questions, Your Honor.

14 HEARING OFFICER FAY: Mr. Sarvey, any
15 questions?

16 MR. SARVEY: Yeah.

17 CROSS-EXAMINATION

18 BY MR. SARVEY:

19 Q The applicant stated that you've done an
20 update on the construction. That's included in
21 your testimony?

22 A That's correct.

23 Q Okay. And can you tell me which
24 projects that you identified additionally that the
25 applicant didn't have in his evaluation?

1 A Yes. If you look at page 4.10-13 under
2 cumulative impacts and mitigation there are four
3 projects we identified for the cumulative
4 analysis. The segment C project, which is the Muni
5 Lightrail; a proposed residential condominium and
6 retail project at Indiana Street; another 141
7 residential unit at Third Street between 20th and
8 3rd at Illinois Street area; and the Port of San
9 Francisco's constructing a bridge across the
10 Islais Creek channel along the line of Illinois
11 Street.

12 Q And what mitigation have you recommended
13 to take care of those level of service declines?

14 A Well, first of all, the mitigation for
15 those particular projects are related to them. In
16 terms of the mitigation that we've outlined for
17 the project, that will mitigate the impacts for
18 our particular project, and it's my understanding
19 that the other projects, the sponsor of those will
20 take care of the particular mitigation for them.

21 Q And what mitigation did you prescribe?

22 A Well, if you take a look on pages --
23 proposed conditions of certification starting on
24 page 4.10-15, it goes, approximately six --
25 actually we have six proposed conditions of

1 certification ranging from coming up with a
2 traffic and transportation plan; also dealing with
3 complying with the various regulations related to
4 Caltrans in terms of vehicle sizes and weights.

5 Also in terms of encroachment permits
6 that are needed. As well as complying with the
7 California Highway Patrol and Caltrans for
8 transportation of hazardous materials. Also a
9 parking and staging plan. And finally, a
10 mitigation plan for unidentified street that has a
11 potential to be damaged. So in case there is some
12 damage to the roads from the project, they would
13 be repaired to the condition that they were in
14 prior to the project commencing.

15 Q Okay. And in your analysis did you
16 consult with the land use staff and examine all
17 the reasonably foreseeable projects that would be
18 constructed during that time?

19 A Yes. If you'll notice under the
20 reference section, had several conversations with
21 various people at the City, Department of Parking
22 and Traffic, and other individuals who had some
23 interest in the project, or some jurisdiction. So
24 we, as normal, we communicate with them and get
25 their feedback on what they think the potential

1 impact is for the project.

2 Q But your own land use staff, did you
3 consult with them about the reasonably foreseeable
4 construction projects?

5 A Well, the land use is a separate
6 analysis, but we always, we tend to talk to one
7 another. So I'm sure that I talked to, I believe
8 it's Mr. Flores in this case, if I've got that
9 right.

10 Certainly we talked about projects that
11 they're aware of, that I'm aware of. But they are
12 a separate analyses.

13 Q So you believe that you have all the
14 reasonably foreseeable construction projects in
15 your analysis?

16 A At the time that I wrote the analysis
17 for the FSA, that is correct.

18 Q Okay, thank you.

19 HEARING OFFICER FAY: Is that it, Mr.
20 Sarvey?

21 MR. SARVEY: That's it, thank you.

22 HEARING OFFICER FAY: Anything further,
23 Mr. Ratliff?

24 MR. RATLIFF: No.

25 HEARING OFFICER FAY: All right. Thank

1 you. Mr. Adams, you're excused.

2 All right, no other party filed
3 testimony on transportation, so we will move to
4 the topic of local system effects.

5 The applicant indicated that they have
6 already addressed the question to the extent that
7 they intend to, although Mr. Flynn is available.
8 So we're going to move directly to the staff for
9 their affirmative case.

10 MR. RATLIFF: The staff has a staff
11 witness, but also a witness from the ISO, the
12 California ISO. And I would like to have them
13 each represent and summarize their testimony
14 separately. But then I would like to have them
15 sit as a panel for cross-examination, if that's
16 acceptable.

17 HEARING OFFICER FAY: Okay. Would you
18 both please state your name, spell it, and then
19 the court reporter will swear you in.

20 MR. TOBIAS: My name is Lawrence Tobias,
21 L-a-w-r-e-n-c-e T-o-b-i-a-s.

22 MR. HESTERS: I'm the staff witness; my
23 name is Mark Hesters, M-a-r-k H-e-s-t-e-r-s.

24 MR. RATLIFF: I'll start with Mr.
25 Tobias. And what I would intend to do here is go

1 through some preliminary questions for each of the
2 witnesses, and then turn them over collectively
3 for cross-examination.

4 DIRECT EXAMINATION

5 BY MR. RATLIFF:

6 Q Mr. Tobias, did you prepare the
7 testimony titled the testimony of Lawrence Tobias
8 on behalf of the California Independent System
9 Operator?

10 A I did.

11 Q And is that testimony true and correct
12 to the best of your knowledge and belief?

13 A Yes, it is.

14 Q Do you have any changes to make in it at
15 this time?

16 A No changes to the direct testimony. But
17 a couple revisions to an attachment to the
18 testimony.

19 Q I see. And you're going to show that by
20 presenting some slides, is that correct?

21 A Yes.

22 Q Okay. We'll get to that in just a
23 minute, but before we do that could you explain
24 what your position is at the ISO? And what your
25 duties are at the ISO?

1 A I'm a Senior Regional Transmission
2 Engineer at the ISO. Primary responsibilities are
3 to oversee transmission reinforcement reliability
4 studies related to the Greater Bay Area. And in
5 particular, San Francisco and the Peninsula areas.

6 Q Okay, thank you. And do you want to
7 show us the revision to your testimony at this
8 time before you summarize your testimony?

9 A Yes.

10 (Pause.)

11 MR. TOBIAS: I have revisions to a
12 couple of the dates listed in what's titled the
13 revised action plan for San Francisco, this
14 attachment to my testimony.

15 Within that action plan each of the
16 components are numbered. Component number 8, the
17 Potrero Hunter's Point, in parentheses AP-115 kV
18 cable. This project has been completed. It went
19 into operation in March of 2006.

20 Component number 9, the Jefferson-Martin
21 230 kV line. The operation date for this project
22 is scheduled by May of 2006. My understanding is
23 that this project was scheduled to be in operation
24 yesterday. If that was true, then Hunter's Point
25 units 1 and 4 would not have been dispatched this

1 morning. I don't have verification, but that was
2 the latest information when I was in the office
3 last Thursday.

4 Those are the revisions that I have.

5 BY MR. RATLIFF:

6 Q The chart that you just showed us is a
7 description of the San Francisco action plan.
8 Could you talk a little bit, for the benefit of
9 the Committee, about the origins of the San
10 Francisco action plan and its purpose.

11 A Yes. In 1998, as the ISO and
12 deregulation were being formulated, there was an
13 agreement put in place between Pacific Gas and
14 Electric and the City of San Francisco. And that
15 agreement was to retire Hunter's Point generator
16 units when it was deemed by the ISO that these
17 units were no longer needed for reliability.

18 In addition, citizens representing
19 community groups in San Francisco came to a couple
20 of the ISO Board meetings. And at those meetings
21 they expressed their concerns related to the
22 impact those power plants, Hunter's Point and
23 Potrero, had on their neighborhoods.

24 As a result the ISO Board directed its
25 staff to come up with a plan that would facilitate

1 a determination that the units at Hunter's Point
2 and Potrero would no longer be needed for
3 reliability.

4 As such, today this is called the
5 revised action plan for San Francisco. It
6 includes in there the components necessary that
7 when they're completed and upon a final
8 determination by the ISO that Hunter's Point units
9 and Potrero units are no longer needed for
10 reliability, the RMR contracts for these units
11 would be canceled at that time. And those units
12 would not be dispatched by the ISO.

13 To that extent, please let me add that
14 there was a formal agreement with Pacific Gas and
15 Electric Company related to the Hunter's Point
16 Power Plant where in that agreement when we deemed
17 that those units were no longer needed for
18 reliability, those units would not be dispatched.
19 Within ten days PG&E would proceed with a plan to
20 retire the power plant and dismantle it, actually.

21 For Potrero, at the conclusion of the
22 action plan and our final determination that
23 Potrero units are not needed for reliability,
24 those units would also be removed from reliability
25 must run, their contracts would be canceled.

1 But there's no formal agreement between
2 parties that I'm aware of, and Mirant, the owner
3 of the power plant, in particular similar to
4 Hunter's Point. Such that a determination to
5 retire Potrero units is at the discretion of the
6 owner of those units, Mirant.

7 Q Mr. Tobias, the San Francisco action
8 plan deals with four CTs, is that correct?

9 A Yes, it does.

10 Q And could you explain where the fourth
11 CT is, and why it's there?

12 A The technical analysis that supports the
13 action plan, within there we determined that a
14 certain amount of generation should remain north
15 of Martin substation. The City and County of San
16 Francisco was proposing to install four combustion
17 turbine units. To that extent, the requirement,
18 consistent with our studies, was that three of
19 these units be sited north of Martin substation,
20 and one by the airport.

21 Our technical analysis and revised
22 action plan is based on the successful permitting
23 and operation of all four CTs. One close to the
24 San Francisco Airport, and three that are being
25 proposed to be near Potrero substation.

1 To that extent, to be thorough, it does
2 include the United Airlines cogen unit that is by
3 the airport, that they use to power their
4 maintenance facility there.

5 Q Is it your opinion, and is it consistent
6 with your analysis, that at least three of the
7 combustion turbines must be placed north of the
8 Martin substation to provide the reliability that
9 is essential for the City of San Francisco?

10 A Yes.

11 Q And could you also describe briefly the
12 TransBay cable project and how it fits into this
13 entire picture of transmission to the City of San
14 Francisco?

15 A Yes, essentially put, the TransBay cable
16 is the next step in reinforcement for a reliable
17 power supply to San Francisco beyond the revised
18 action plan, such that the technical analysis and
19 the basis for the TransBay cable is such that this
20 revised action plan would be successfully
21 completed.

22 And the TransBay cable would then be the
23 next component in time that would, in fact,
24 provide long-term load-serving, reliable
25 capability for San Francisco.

1 Q Is it your view, as an expert, and is it
2 the position of the ISO that you would still
3 require generation in San Francisco even with the
4 TransBay cable?

5 A Yes.

6 MR. RATLIFF: Thank you. I would like
7 to go to my other witness at this time, if I may.

8 HEARING OFFICER FAY: To keep things
9 clear, I would like you to move Mr. Tobias'
10 testimony in at this time, along with his
11 addendum.

12 MR. RATLIFF: Okay.

13 HEARING OFFICER FAY: Would you like
14 that -- well, go ahead.

15 MR. RATLIFF: Okay, the staff witness
16 for local system effects, for the transmission
17 testimony on this issue is Mr. Mark Hesters.

18 HEARING OFFICER FAY: Okay, could you
19 move Mr. Tobias' testimony at this time?

20 MR. RATLIFF: Oh, I thought I did. I
21 move Mr. Tobias' testimony be admitted into
22 evidence then.

23 HEARING OFFICER FAY: That's exhibit 50;
24 and did you want an exhibit number for his
25 addendum?

1 MR. RATLIFF: Yes.

2 HEARING OFFICER FAY: And have you
3 served copies on the parties?

4 MR. RATLIFF: No. This is a correction
5 of an appendix to his exhibit 50.

6 HEARING OFFICER FAY: Oh, the --

7 MR. RATLIFF: It's a change in the dates
8 that he just went through.

9 HEARING OFFICER FAY: Oh, I see, okay.
10 So this is just a correction --

11 MR. RATLIFF: Yes.

12 HEARING OFFICER FAY: -- to something in
13 exhibit 50. Okay, so any objection to receiving
14 exhibit 50 as corrected?

15 MR. SARVEY: No objection.

16 HEARING OFFICER FAY: Hearing none, so
17 moved. Now, go ahead, please.

18 DIRECT EXAMINATION

19 BY MR. RATLIFF:

20 Q Mr. Hesters, did you prepare the
21 testimony, the staff testimony in the FSA entitled
22 local system effects?

23 A I did, with one other staff member, Ajoy
24 Guha.

25 Q I see, and is that testimony true and

1 correct to the best of your knowledge and belief?

2 A Yes, it is.

3 Q Do you have any changes to make in the
4 testimony at this time?

5 A I actually do. It turns out that
6 appendix A, table 2 was not updated. The numbers
7 and discussion of losses in the text refer to
8 appendix A, table 2. We have an updated version
9 of that which we need to send out. I could put it
10 on the screen.

11 Basically what we did was we updated
12 the, in calculating loss savings, we updated the
13 gas price forecast and heat rate. But the gas
14 price is the big change.

15 Q Do you want to show us a slide to that
16 effect at this time?

17 A Yes, I do. I can put up the new slide.
18 The old slide had the gas price, it was either
19 2.90 or 3.90, and a high of \$5 per mBtu. This is
20 now looking at the price at \$5 and \$7 per mBtu.

21 Q Does that change in your testimony
22 change any of the conclusions in your testimony?

23 A It doesn't change any of the
24 conclusions. It actually doesn't change the text
25 of the testimony. The text of the testimony

1 referred to this slide.

2 Q You heard Mr. Tobias' summary of his
3 testimony. Do you have anything to add on this
4 topic with regard to transmission and reliability
5 that Mr. Tobias has already addressed, or anything
6 new to address?

7 A No, I do not.

8 MR. RATLIFF: Then I would move Mr.
9 Hesters' testimony into evidence at this time, as
10 well.

11 HEARING OFFICER FAY: Is there any
12 objection to receiving that portion of exhibit 46
13 entitled local system effects by Mark Hesters and
14 Ajoy Guha into evidence? I hear no objection; so
15 moved.

16 The witnesses are available as a panel,
17 is that correct?

18 MR. RATLIFF: Yes.

19 HEARING OFFICER FAY: All right. Ms.
20 Sol,. Oh, at this time I'd also like to remind
21 everybody that the applicant has made Mr. Flynn
22 available, as well. So if any questions come up
23 in this topic area that you'd like to address to
24 the applicant, I understand Mr. Flynn will be
25 available.

1 MR. RATLIFF: I have no questions for
2 Mr. Flynn.

3 HEARING OFFICER FAY: Okay. Ms. Sol,,
4 do you have any questions of the staff panel?

5 MS. SOL : Just a couple questions for
6 Mr. Tobias.

7 CROSS-EXAMINATION

8 BY MS. SOL :

9 Q Mr. Tobias, you don't work for the City,
10 do you?

11 A The City of San Francisco?

12 Q That's correct.

13 A No, I do not.

14 Q Would you expect to be included in any
15 discussions between the City and Mirant regarding
16 closure of Potrero?

17 A Yes. The California ISO probably would.

18 Q Hasn't the California ISO already stated
19 what the conditions are to remove the RMR
20 agreement for Potrero?

21 A Yes.

22 Q And so would the ISO have an interest in
23 what happens to the plant after the RMR agreement
24 is taken away?

25 A No.

1 MS. SOL : That's all my questions.

2 HEARING OFFICER FAY: Mr. Sarvey.

3 MR. SARVEY: Do you want to check and
4 see if Mr. Boyd's on the phone first, or do you
5 want me to go ahead?

6 HEARING OFFICER FAY: Well, we can ask,
7 but you are the next in order. Mr. Boyd, are you
8 on the line? Mr. Boyd. Is any representative of
9 CARE on the line? Okay, go ahead, Mr. Sarvey.

10 MR. SARVEY: Okay, thank you.

11 CROSS-EXAMINATION

12 BY MR. SARVEY:

13 Q This question's actually for both
14 witnesses, and they can answer it separately.

15 In your analysis it seems that you both
16 assessed the action plan and the siting of the
17 SFERP together, is that correct?

18 MR. TOBIAS: Pardon me, say it again?

19 MR. SARVEY: In your analysis, it looks
20 to me like you addressed both the action plan and
21 the SFERP in your testimony?

22 MR. TOBIAS: Yes.

23 MR. HESTERS: I think we tried to; I'm
24 not sure how to answer that question.

25 MR. SARVEY: So you're pretty much

1 evaluating them as not just one project, but as an
2 action plan and a series of projects basically?

3 MR. RATLIFF: Objection on the grounds
4 the question is ambiguous. Could you clarify the
5 question, please.

6 MR. SARVEY: I'll withdraw it.

7 Mr. Tobias, I think you stated earlier
8 in your opinion Mirant could continue to operate
9 the Potrero project even with the SFERP on line,
10 that's correct?

11 MR. TOBIAS: That would be their
12 decision.

13 MR. SARVEY: Will the retirement of the
14 Potrero RMR contract be in jeopardy if San
15 Francisco load increases significantly?

16 MR. TOBIAS: No.

17 MR. SARVEY: Are there any other
18 unexpected contingencies that might threaten the
19 release of the Potrero 3 unit from its RMR
20 contract?

21 MR. TOBIAS: None that I'm aware of.

22 MR. SARVEY: What is the timing of the
23 Potrero 3 release with respect to the approval of
24 the San Francisco project? How many months after
25 its operating would we expect the RMR contract to

1 be released?

2 MR. TOBIAS: I'm not aware that that's
3 been formalized.

4 HEARING OFFICER FAY: Mr. Hesters, do
5 you have something to add?

6 MR. HESTERS: Yeah, the one thing I've
7 seen on that is that the RMR contracts are annual.
8 So, if the San Francisco Energy project came in in
9 June, the RMR contract for Potrero wouldn't be
10 ended until December.

11 MR. TOBIAS: That's correct.
12 Clarification. On Hunter's Point the agreement
13 with Pacific Gas and Electric is that the RMR
14 contract could be terminated in the middle of the
15 year. There is no such agreement with Potrero,
16 such that the RMR contracts are annual contracts.
17 So, by example, if that portion of the revised
18 action plan was implemented in the middle of the
19 year, the RMR contract would be to the end of the
20 year. That's correct at this time.

21 MR. SARVEY: So if the San Francisco
22 project doesn't come online till 2008, there'd be
23 a possibility that the RMR contract wouldn't
24 expire until 2009, is that correct?

25 MR. TOBIAS: That's correct. There's no

1 agreement that it would expire sooner than the end
2 of the year, that the components are in place that
3 satisfy that those units are not needed for
4 reliability.

5 MR. SARVEY: And you're part of a study
6 group, aren't you, Mr. Tobias, a stakeholder study
7 group, is that correct?

8 MR. TOBIAS: Which group? I'm part of
9 several.

10 MR. SARVEY: I believe it's the SP --
11 actually you're studying, a stakeholder group
12 that's studying reliability in the Peninsula
13 there?

14 MR. TOBIAS: There was a stakeholder
15 group established that focused on San Francisco
16 and the Peninsula. That stakeholder group has
17 been concluded and no longer exists.

18 MR. SARVEY: And that stakeholder group
19 actually aided in the development of the action
20 plan, is that correct?

21 MR. TOBIAS: No.

22 MR. SARVEY: No. Okay. Did the
23 stakeholder group recommend the Jefferson-Martin
24 project as a method of shutting down Hunter's
25 Point?

1 MR. TOBIAS: That was the consensus of
2 most parties in the stakeholder group, yes.

3 MR. SARVEY: And did the stakeholder
4 group also conclude that the TransBay cable
5 project would be needed, as well? As a preferred
6 alternative for long-term transmission?

7 MR. TOBIAS: That was determined through
8 the stakeholder group prior to taking the project
9 to the ISO Board, yes.

10 MR. SARVEY: Okay. I'd like to take a
11 moment and introduce a couple of exhibits if I
12 could, please. I have to get Mr. Tobias to
13 authorize their authenticity first.

14 (Pause.)

15 HEARING OFFICER FAY: You have copies of
16 those for all counsel?

17 MR. SARVEY: Yes, I do.

18 HEARING OFFICER FAY: Okay. And the
19 Committee?

20 MR. SARVEY: Yes, I do.

21 HEARING OFFICER FAY: Okay.

22 BY MR. SARVEY:

23 Q Earlier, Mr. Tobias, you spoke about the
24 TransBay cable project; is this an official Cal-
25 ISO management position on the TransBay cable

1 project?

2 MR. TOBIAS: I'm not sure what you're
3 referring to as a position.

4 MR. SARVEY: Is this a memorandum that
5 was generated -- I'm just asking you this
6 authenticity, whether it's realistic or whether
7 you think I made it up, or --

8 MR. TOBIAS: The memo that you handed
9 out that's dated September 2, 2005.

10 MR. SARVEY: Would you --

11 MR. TOBIAS: And it's directed to the
12 ISO Board. Yes, that came from ISO Staff.

13 MR. SARVEY: And did you participate in
14 its preparation at all?

15 MR. TOBIAS: Yes.

16 MR. SARVEY: Okay, thank you.

17 Then I have one other item. I'd like to
18 have that marked as an exhibit if --

19 HEARING OFFICER FAY: All right, the
20 California ISO memorandum from Gary DeShazo,
21 Director of Regional Transmission, dated September
22 2, 2005, regarding approval of the TransBay HBDC
23 cable project is exhibit 86.

24 MR. SARVEY: And then I have one other.

25 (Pause.)

1 MS. SOL : Could we have a copy of the
2 exhibit?

3 MR. SARVEY: Yeah, I'm looking for one.
4 Basically this is the comments on the
5 PSA; they're in the docket log, by Cal-ISO.

6 MS. SOL : Comments on the PSA in this
7 case?

8 MR. SARVEY: In this case, yes.

9 MS. SOL : I don't know that we received
10 them.

11 MR. SARVEY: Just wanted to have those
12 marked as an exhibit, as well.

13 HEARING OFFICER FAY: The document date-
14 stamped September 22nd from Tobias, Lawrence to
15 Bill Pfanner regarding San Francisco Electric
16 Reliability project hearings, will be exhibit 87.

17 MR. SARVEY: Thank you.

18 HEARING OFFICER FAY: Marked for
19 identification.

20 MR. SARVEY: Thank you.

21 BY MR. SARVEY:

22 Q Has ISO done an economic analysis of the
23 action plan's impact to ratepayers?

24 MR. TOBIAS: No, that's beyond the scope
25 of my participation in the action plan.

1 MR. SARVEY: To your knowledge, has ISO
2 done, beyond your participation?

3 MR. TOBIAS: No.

4 MR. SARVEY: No, they haven't. Okay.
5 Do you have any reason to believe that Mirant's
6 retrofit of the Potrero 3 unit would encourage
7 Mirant to continue to run this plant?

8 MR. TOBIAS: Do I personally have reason
9 to believe?

10 MR. SARVEY: Yes.

11 MR. TOBIAS: Or the ISO?

12 MR. SARVEY: Yes.

13 MR. TOBIAS: I'm not aware of their
14 plans following completion of the action plan.

15 MR. SARVEY: Thank you. Did ISO
16 management conclude that the net reduction of 385
17 megawatts of inCity generation from the action
18 plan will increase San Francisco Peninsula's
19 operational constraints and increase the need for
20 special protection schemes?

21 MR. TOBIAS: Yes, I think that was
22 included in communication related to the action
23 plan. Yes.

24 MR. SARVEY: And is it true that ISO
25 studies show that after the San Francisco action

1 plan is implemented, the San Francisco Peninsula's
2 areas locational capacity requirements will exceed
3 the amount of generation expected to be available
4 in this area by approximately 100 megawatts?

5 MR. TOBIAS: Would you please say that
6 again?

7 MR. SARVEY: I say, is it true that ISO
8 studies show that after the San Francisco action
9 plan is implemented, the San Francisco Peninsula
10 area's locational capacity requirements will
11 exceed the amount of generation expected to be
12 available in this area by approximately 100
13 megawatts?

14 MR. TOBIAS: I'm not aware of that
15 determination. Recent studies conducted by myself
16 for locational capacity requirements in 2007 do
17 not support what you just said.

18 MR. SARVEY: Okay. Do you believe that
19 the elimination of 385 megawatts of inCity
20 generation will reduce reactive margin in the San
21 Francisco area?

22 MR. TOBIAS: No.

23 MR. SARVEY: Mr. Hesters, would you like
24 to answer that question, please?

25 MR. HESTERS: I guess --

1 MR. RATLIFF: Could you ask the question
2 again, please?

3 MR. SARVEY: Mr. Hesters, do you believe
4 that the elimination of 385 megawatts of inCity
5 generation will reduce reactive margin in the San
6 Francisco area?

7 MR. HESTERS: The only study that we've
8 done is whether or not the addition of the San
9 Francisco Electric Reliability project will add
10 reactive margin. And that showed that the project
11 would. We haven't looked at what would happen if
12 you pulled the others.

13 MR. SARVEY: Okay.

14 MR. TOBIAS: I have additional comment
15 to your question, if I may insert it?

16 MR. SARVEY: Sure, go ahead.

17 MR. TOBIAS: As part of normal
18 transmission planning, especially within an area,
19 the Greater Bay Area and the importance of the
20 City of San Francisco, there's perpetual
21 incremental planning looking at certain things.

22 One is reactive voltage support within
23 the Bay Area. To this point in time, and with
24 consideration of that portion of the action plan
25 related to Hunter's Point, a static bar device was

1 added at Potrero substation. PG&E is in the
2 process of adding 300 megavars of shunt
3 compensation at Ravenswood substation. Ravenswood
4 is located by the western terminus of the San
5 Mateo Bridge.

6 Asea Brown Bavari, ABB, is in the
7 process of conducting the next incremental voltage
8 support study for the Greater Bay Area. That
9 study will take into account many things,
10 including the conclusion of this action plan
11 related to Potrero, both old and new generation
12 impacts.

13 MR. SARVEY: So, Mr. Hesters, in your
14 testimony on page 5.6-8 it says the reactive power
15 7D MVAR will increase the local reactive margin
16 unless the Potrero 3 unit is shut down, in which
17 case the reactive margin in San Francisco area
18 would actually decrease, is that correct?

19 MR. HESTERS: I believe if you shut down
20 generation in San Francisco, if you have
21 generation in San Francisco versus not having
22 generation in San Francisco, and you don't replace
23 it with some other device, that you will reduce
24 reactive margin.

25 But you can maintain reactive margin

1 with other devices, which is what Larry was
2 referring to.

3 MR. SARVEY: Okay, thank you for
4 clarifying that.

5 Mr. Tobias, do you believe the plan to
6 eliminate 385 megawatts of inCity generation will
7 lead to increased transmission losses because of
8 the additional need to import electricity into San
9 Francisco?

10 MR. RATLIFF: Can I just interject here?
11 When you say 385 megawatts, you don't mean just
12 Potrero unit 3, but you mean also the peaker
13 facilities --

14 MR. SARVEY: And the Hunter's Point, as
15 well.

16 MR. RATLIFF: -- and all the Potrero --

17 MR. SARVEY: According to the action
18 plan, that's the plan.

19 MR. TOBIAS: Would importing more power
20 into San Francisco as a replacement to having
21 generation in San Francisco lead to greater
22 megawatt losses on the transmission system.

23 MR. SARVEY: Yes.

24 MR. TOBIAS: That's your question?

25 MR. SARVEY: That's the question.

1 MR. TOBIAS: The answer is yes.

2 MR. SARVEY: And do you have an estimate
3 for how many megawatts would be lost from the Cal-
4 ISO action plan?

5 MR. TOBIAS: No, I do not.

6 MR. SARVEY: So is it true that ISO --
7 scratch that question, I'll withdraw it.

8 Did ISO's technical analysis conclude
9 that installation of the TransBay project in 2009
10 would significantly improve reliability in San
11 Francisco?

12 MR. TOBIAS: Are you referring to the
13 TransBay cable DC --

14 MR. SARVEY: Yes, I am.

15 MR. TOBIAS: -- project?

16 MR. SARVEY: Yes, I am.

17 MR. TOBIAS: Please say your question
18 again?

19 MR. SARVEY: I'm sorry. Did ISO's
20 technical analysis conclude that the installation
21 of the TransBay cable project in 2009 would
22 significantly improve reliability in San Francisco
23 and the Peninsula?

24 MR. TOBIAS: Clarification. The
25 technical analysis for the TransBay cable was

1 facilitated through a stakeholder process led by
2 myself. The technical analysis initially was done
3 by a consultant for Babcock and Brown. The more
4 detailed technical analysis that led to the
5 recommendation was conducted by Pacific Gas and
6 Electric. Within that technical analysis it
7 supported recommending that cable.

8 Specifically to your question, does that
9 project incrementally increase reliability. Yes,
10 it does. As I stated earlier, that's the next
11 increment in assuring reliable load-serving
12 capability beyond the action plan. That TransBay
13 cable DC line project does equate to a long-term
14 reliability for serving load in San Francisco and
15 the Peninsula.

16 MR. SARVEY: Okay, thank you. Would a
17 transmission line from the airport to the Potrero
18 substation allow the City to site all four
19 turbines at the airport and still release Potrero
20 3 from its RMR agreement?

21 MR. TOBIAS: You're speaking to one of
22 several possible alternatives that was not deemed
23 to provide the level of reliability that was
24 necessary as the next increment in transmission
25 planning for that area.

1 MR. SARVEY: And why would that scenario
2 fail to supply the reliability?

3 MR. TOBIAS: It's in parallel with many
4 other facilities all coming up the San Francisco
5 Peninsula. And as was seen in 1989 with the
6 earthquake there, there's just a lot more
7 susceptibility to losing all power supply to San
8 Francisco by continuing to route everything up the
9 Peninsula.

10 MR. HESTERS: There is one other issue I
11 think with that that was if you connected only to
12 the Martin substation and not farther into
13 downtown San Francisco or further up into San
14 Francisco, one of the problems with the Martin
15 substation is that losing the lines from Martin
16 into San Francisco will cause overloads on those
17 other lines. And that's the problem with
18 everything that feeds San Francisco connecting to
19 Martin. So you have to connect it farther into
20 San Francisco.

21 MR. TOBIAS: That's correct.

22 MR. SARVEY: I probably misstated my
23 question, I'm sorry. When I'm speaking of this
24 transmission line from the airport to the Potrero
25 substation I mean a direct transmission line that

1 avoids the Martin substation.

2 MR. HESTERS: I missed the reference to
3 Potrero, sorry.

4 MR. SARVEY: I mean -- I'm sorry,
5 Potrero.

6 MR. TOBIAS: You would still have a
7 contingency-related potential overloading of the
8 115 cable system in San Francisco if you're
9 importing power from south of Martin. If you're
10 displacing generation from south of there.

11 MR. SARVEY: So, for reliability
12 purposes does a fourth turbine at the airport
13 qualify as inCity generation?

14 MR. TOBIAS: The fourth turbine at the
15 airport is part of generation resources that
16 supply load in the Peninsula, as well as San
17 Francisco.

18 MR. SARVEY: And will that fourth
19 turbine be interconnected to the Martin
20 substation?

21 MR. TOBIAS: It'll be interconnected on
22 a 115 line between San Mateo and Martin
23 substation.

24 MR. SARVEY: Okay. And now when you
25 assess reliability, you've determined that you

1 need at least 100 megawatt requirement for
2 generation available to provide reliability into
3 San Francisco, is that correct?

4 MR. TOBIAS: Yes.

5 MR. SARVEY: Now, when you performed
6 your reliability study for the newest revised
7 revised action plan, what substation did you model
8 this going out in that plan?

9 MR. TOBIAS: I don't understand your
10 question. There's not a revised revised action
11 plan; there's just --

12 MR. SARVEY: I'm sorry, --

13 MR. TOBIAS: -- one action plan and one
14 revision.

15 MR. SARVEY: Revised, I'm sorry.

16 MR. TOBIAS: And I don't know what
17 substation you're talking about.

18 MR. SARVEY: Well, when you model for
19 your outage standard, basically.

20 (Pause.)

21 MR. SARVEY: Sorry for the terminology
22 problem there. The San Francisco Greater Bay Area
23 generation outstage standard is what I was
24 referring to. And according to that you have to
25 model for two generating units down and one

1 transmission line, is that correct?

2 MR. TOBIAS: I don't think that
3 correctly typifies or covers what's in that
4 particular planning standard. If you're referring
5 to what's called the Greater Bay Area generation
6 outage standard where that includes specifically I
7 think it's outlined combustion turbine at Oakland,
8 Potrero 3 and another combustion turbine unit in
9 San Francisco.

10 And that planning standard is based on
11 the existing generation as it existed with
12 Hunter's Point in effect in operation, as well as
13 the existing units at Potrero. The existing units
14 at Oakland.

15 That planning standard is based on the
16 fact that you have quite a few old generator units
17 that had not been as reliable as we would have
18 liked, so we created that standard.

19 The explanation --

20 MR. SARVEY: Yeah, that's --

21 MR. TOBIAS: -- for you?

22 MR. SARVEY: -- better an idea where
23 we're going here. So there's a transmission line
24 that you model in the outage for the standard, is
25 that correct?

1 MR. TOBIAS: It's normal as looking at a
2 single contingency. ISO single contingency is a
3 generator unit in addition to transmission
4 facility, yes.

5 MR. SARVEY: Okay. And now that the
6 action plan retires Potrero and Hunter's Point,
7 how does that change the outage standard?

8 MR. TOBIAS: It needs to be revised.

9 MR. SARVEY: And has it been revised?

10 MR. TOBIAS: Not at this time, not
11 formally.

12 MR. SARVEY: Okay. I'd like to call
13 your attention to exhibit --

14 MR. TOBIAS: I'd like to add a
15 clarification. It should be understood that that
16 planning standard applies to the existing
17 generation out there. It's not applicable to new
18 generation as it comes online. It needs to be
19 revised to take any new generation within the
20 Greater Bay Area into account. It has not been
21 revised yet.

22 MR. SARVEY: Okay. I'd like to call
23 your attention to your September 27, 2005
24 submission to the Energy Commission on your PSA
25 comments, and I believe we labeled that exhibit --

1 HEARING OFFICER FAY: That's exhibit 87.

2 MR. SARVEY: -- exhibit 87. On the
3 second page, the last paragraph of your
4 communication there, you state that when you
5 modeled the 100 megawatts associated with our
6 revised action plan and would be achievable with
7 the SFERP and that we would assume only one of the
8 new CTs at Potrero would be cut in an overlapping
9 outage with a transmission line. What
10 transmission line are you speaking of there?

11 MR. TOBIAS: The transmission line could
12 be -- when we run our contingency analysis we look
13 at individually all of the transmission elements.
14 So it could be the outage of a single 115 cable in
15 San Francisco. It could be the outage of any of
16 the voltage levels, single transmission line 230,
17 115, 60 down the Peninsula.

18 It could be the outage of one of four
19 230 kV lines crossing San Francisco Bay. It could
20 be the outage of a 230 kV line emanating from
21 Metcalf substation, one of four.

22 MR. SARVEY: Could it be a transmission
23 line interconnected from the airport San Francisco
24 CT to the Martin substation? Or from the Martin
25 substation to the Potrero substation?

1 MR. TOBIAS: That would be included in
2 the analysis.

3 MR. SARVEY: Okay. Now I'd like to call
4 your attention to your last line. It says: For
5 this situation we are also including the CCSF CT
6 that is planned to be sited near the airport."

7 Now, my question is if the transmission
8 line you modeled was interconnected between the
9 Potrero substation and the CT in the San Francisco
10 Airport, and one of the CTs from the SFERP were
11 out, would you still have your 100 megawatts of
12 generation that you need for reliability?

13 MR. TOBIAS: Yes, you'd still have two
14 combustion turbine units connected to Potrero
15 substation. You would still have, depending on
16 what portion of the transmission line that the CT
17 by the airport you would assume out of service,
18 you would still have generation from that unit, as
19 well. Either coming through that portion of the
20 transmission line to Martin substation, or to San
21 Mateo and up other 115 kV lines to Martin
22 substation.

23 MR. SARVEY: I was assuming that your
24 transmission outage was from the CT, San Francisco
25 CT.

1 MR. HESTERS: Can I ask a clarifying
2 question?

3 MR. SARVEY: Sure.

4 MR. HESTERS: It sounded like you were
5 referring to the case where you had -- are you
6 talking about one CT at the San Francisco or the
7 case, the hypothetical --

8 MR. SARVEY: Well, the hypothetical case
9 was one CT would be out, and then they included
10 the CT at the airport and the reliability that
11 there would be 100 megawatts available.

12 MR. TOBIAS: If it was loss of the
13 direct connection facility between the CT and
14 where it ties into the 115, --

15 MR. SARVEY: Um-hum.

16 MR. TOBIAS: -- and therefore you lose
17 the CT.

18 MR. SARVEY: Correct.

19 MR. TOBIAS: Then you would have three
20 CTs online at Potrero substation, 150 megawatts
21 more than enough.

22 MR. SARVEY: Well, didn't we assume that
23 one CT at Potrero was out in this scenario?

24 MR. TOBIAS: The one CT out would be the
25 CT by the San Francisco Airport, in addition to

1 the facility that connects that.

2 MR. SARVEY: Okay.

3 MR. TOBIAS: You lose that facility you
4 automatically are taking into account your G-1,
5 loss of one generator unit at the same time within
6 the same single contingency.

7 MR. SARVEY: Okay, so what I'm saying is
8 you have one CT out at Potrero, and you have the
9 transmission line between the airport and the
10 CT -- I mean the airport CT and Jefferson, or the
11 Martin substation. Seems you only have two CTs
12 online at that point. Am I wrong here?

13 MR. TOBIAS: As you described it, that
14 amounts to a double contingency, not a single
15 contingency. Under a double contingency there are
16 choices that can be made. And one choice could be
17 loss of load. That's a level C contingency.
18 Versus multiple elements.

19 MR. SARVEY: Pardon me, Mr. Hesters?

20 MR. TOBIAS: If you're referring to two
21 generator units out, plus a transmission --

22 MR. SARVEY: I thought that's what we
23 were modeling.

24 MR. TOBIAS: -- facility --

25 MR. SARVEY: Generator units and a -- I

1 thought that was the Bay Area outage standard, to
2 my understanding.

3 MR. TOBIAS: No. I think you're
4 applying the existing standard to the new
5 generation. My previous statement was that that
6 generation outage standard is recognized within
7 the ISO that it needs to be revised to take into
8 account new generation within the Bay Area.

9 That generation outage standard should
10 not be applied with these new generator units in
11 service.

12 MR. SARVEY: So, you're going to have to
13 develop a new outage standard, is that --

14 MR. TOBIAS: That's correct.

15 MR. SARVEY: Okay. So, isn't your
16 explanation at the end of that paragraph the new
17 outage standard? I mean you said that you could
18 maintain 100 megawatts with one transmission line
19 out and one CT out. But if the transmission line
20 from the CT to the Martin substation is out, you
21 have two units out. So therefore you only have
22 two CTs online. And that would lead to --

23 HEARING OFFICER FAY: Would lead to
24 what, Mr. Sarvey? Finish your question.

25 MR. SARVEY: That would lead to a

1 violation of your 100 megawatt requirement inCity
2 generation. I'm sorry.

3 HEARING OFFICER FAY: And that's your
4 question?

5 MR. SARVEY: That's my question.

6 (Parties speaking simultaneously.)

7 MR. RATLIFF: I believe that's been
8 asked and answered.

9 MR. TOBIAS: -- not interpreting this
10 correctly.

11 MR. RATLIFF: -- the very answer that he
12 just gave a moment ago.

13 MR. TOBIAS: Yes. It's a
14 misinterpretation, I think, of what's listed as
15 point number 6 in my email. And in that I'm
16 saying that if the action plan was not
17 implemented, and if we did not have new generator
18 units, and therefore we have existing Potrero
19 units, what would be the impact of that.

20 It's not meant to state what would be
21 the impact if you tried to associate generation
22 outage standard with the new units. As I stated,
23 that standard needs to be revised. It's not
24 applicable with new generator units in the area.

25 It's not very applicable with Hunter's

1 Point generation retired. With far less old units
2 in the Bay Area, that planning standard needs to
3 be revised. That's how it should be regarded.

4 MR. SARVEY: Okay. So if we take those
5 last sentences, I'm assuming that the action plan
6 requires 100 megawatts of inCity generation?

7 MR. TOBIAS: Yes.

8 MR. SARVEY: And did the scenario that I
9 just described to you leave you with less than 100
10 megawatts of inCity generation?

11 MR. TOBIAS: As I explained it back to
12 you, it does not.

13 MR. SARVEY: Okay. Turning back to page
14 1. Point number 1 says, again, the SFERP is
15 associated with Potrero 3 release from its RMR
16 contract per the attached revised action plan
17 table. Information may be available for Mirant to
18 describe what cost reduction to ratepayers may be
19 achieved without this unit under an RMR contract.

20 Did you ever receive any information
21 from Mirant about the cost of that RMR contract?

22 MR. TOBIAS: Are you asking is the ISO
23 aware of the cost of RMR contracts?

24 MR. SARVEY: Yes.

25 MR. TOBIAS: Certainly.

1 MR. SARVEY: And did Mirant provide you
2 with any information on the cost of this RMR
3 contract?

4 MR. TOBIAS: That statement under local
5 system effects, number one, is related to the fact
6 that RMR contracts and their cost is confidential
7 information between the generator/owner and
8 California ISO. And so if other parties are
9 requesting that information, they have to go to
10 the owner of that generator unit that's under
11 contract. That I can't release that information.

12 MR. HESTERS: Can I add something to
13 this. It was a comment on the LSE, staff's LSE
14 testimony, where we basically said that releasing
15 the Potrero unit, if this project allows the RMR
16 contract for Potrero to end, there will be
17 savings. But we had not calculated those savings.

18 I did do a little work into it. I
19 couldn't find anything to come up with a
20 definitive cost savings. There was some numbers
21 that were combined together that I couldn't split
22 out to get a, this is the value of reducing RMR.

23 MR. SARVEY: Mr. Hesters, did you do any
24 cost comparison with the action plan, the cost to
25 ratepayers?

1 MR. HESTERS: No, I did not. I assume
2 you mean the cost of all the transmission
3 facilities --

4 MR. SARVEY: Correct.

5 MR. HESTERS: No.

6 MR. SARVEY: That's quite a few
7 transmission facilities, the TransBay cable
8 project and the Jefferson-Martin project. That's
9 a considerable amount of ratepayer investment, but
10 you didn't calculate what that was, is that
11 correct?

12 MR. HESTERS: No.

13 MR. SARVEY: Okay. Mr. Tobias, if the
14 San Francisco project is not permitted and does
15 not come online, is it possible for the TransBay
16 cable project to retire the Potrero RMR contract?

17 MR. TOBIAS: No.

18 MR. SARVEY: Thank you. That's all I
19 have.

20 HEARING OFFICER FAY: Okay. Does
21 anybody from CARE wish to cross-examine the panel?
22 Is there a representative from CARE online?

23 MR. DaCOSTA: My name is Francisco
24 DaCosta. Can I ask a question?

25 HEARING OFFICER FAY: Certainly.

1 MR. DaCOSTA: Okay, my name is Francisco
2 DaCosta. I'm the Director of Environmental
3 Justice Advocacy, and I'm also affiliated with
4 CARE. I've also participated in the stakeholder
5 meetings at 77 Beale in San Francisco.

6 So I have been listening very
7 attentively to what the ISO representative has
8 been deliberating. And with all the deliberation
9 I don't see any mention about the over 35,000
10 housing units that the San Francisco Planning
11 Department plans to come online within the next
12 two years. And how --

13 HEARING OFFICER FAY: Okay, Mr. DaCosta,
14 let me interrupt you for a moment.

15 MR. DaCOSTA: Um-hum.

16 HEARING OFFICER FAY: This is the time
17 I'm asking parties if they wish to cross-examine
18 the witnesses. And you are not listed as
19 representing CARE. You're listed as a witness for
20 Mr. Sarvey. However, we will give you an
21 opportunity to make a public comment. It's for
22 you to decide if the comment relates best to local
23 system effects, or relates best to our next topic,
24 which is socioeconomic matters about
25 environmental justice.

1 So, I just want to ask one more time if
2 there is any further cross-examination from any of
3 the parties. It sounds like CARE does not have
4 cross-examination. Am I correct?

5 MR. DaCOSTA: I think so, you're
6 correct.

7 HEARING OFFICER FAY: Okay. And, Mr.
8 Ratliff, any recross?

9 MR. RATLIFF: No.

10 HEARING OFFICER FAY: Okay. Now, Mr.
11 DaCosta, do you wish to make a public comment
12 regarding local system effects?

13 MR. DaCOSTA: Yes, I do, sir.

14 HEARING OFFICER FAY: Okay, why don't
15 you make that now.

16 MR. DaCOSTA: I think I want to commend
17 the California ISO and PG&E and all the
18 participants that took part in the stakeholders
19 deliberations; we had about seven or eight
20 meetings at 77 Beale.

21 And the reason I say this is because the
22 entities that I have mentioned gave some of us
23 advocates an opportunity to participate in some of
24 the key issues.

25 Now, listening to the questioning and

1 the answers, I see that we have a pretty good hold
2 over the technical aspects on the transmission
3 line, the combustion turbines, and what should be
4 done to the old power plants because they
5 adversely impact the community.

6 What I have been bringing to the table
7 is that we need to address the real practical
8 aspects having the housing element and this study
9 hasn't been done. The housing element reflects
10 the over 35,000 brand new units that was coming to
11 the area. And how are we going to address that?

12 So, even if you have the transmission
13 line in place, the Jefferson-Martin and the
14 Potrero, at this point locking transmission line
15 in place, nobody is paying attention to the over
16 35,000 units that will come online, because these
17 units are going to drastically impact the supply
18 and demand.

19 And we seem not to pay attention to
20 that. We seem to focus more on the technical
21 aspects, but we don't seem to focus on the quality
22 of life issues that will impact the 35,000 units.

23 The second point that I would appreciate
24 if the technical, the engineers, the experts would
25 focus on is the cumulative pollution. Now I see

1 very general remarks made about the cumulative
2 pollution. But we do understand that southeast
3 sector is where the sewage treatment plant is;
4 where all the aggregate the sand, the concrete
5 companies are. Where the garbage company has
6 hundreds and thousands of trips being made on this
7 new proposed Illinois bridge.

8 So, all this transportation, all the
9 pollution that is now on Third Street will be
10 transferred to the proposed new Illinois Street
11 bridge. And nobody's addressing this in a focused
12 manner. I've heard one of the businesses or one
13 of the experts talk about four projects, but there
14 are more like 20 projects in the area.

15 So we cannot address, really address the
16 cumulative pollution aspects unless we look in
17 toto at all the projects. And we cannot do that,
18 you know, in a remote manner. We need to go to
19 planning and find out what's in the pipeline.

20 So we need to study the housing element.
21 We really need to study a transportation document,
22 which does not exist with the planning department.
23 There's a transportation document that exists with
24 the San Francisco County Transportation Authority.
25 So these are the documents that I want

1 incorporated to really address quality of life
2 issues.

3 And I thank you for giving me this time
4 to address all of you as the Director of
5 Environmental Justice Advocacy. But I also have
6 an affiliation with CARE; and I also have an
7 affiliation with Bob Sarvey.

8 HEARING OFFICER FAY: Okay. Thank you,
9 Mr. DaCosta, for your comment. That concludes our
10 taking of testimony and comment on local system
11 effects.

12 And now we'd like to move, unless
13 there's anything from the Committee -- we'd like
14 to move to socioeconomics.

15 MR. RATLIFF: Mr. Fay, before we do
16 that, --

17 HEARING OFFICER FAY: Yes, Mr. Ratliff.

18 MR. RATLIFF: -- I had a request from
19 Mr. Tobias to make one clarifying statement about
20 one of the terms that was used in the discussion
21 earlier.

22 HEARING OFFICER FAY: Okay, please do.

23 MR. RATLIFF: The term, I believe, was -
24 - well, I'll let Mr. Tobias speak to that issue.

25 MR. TOBIAS: Yeah, Mr. Sarvey, I

1 apologize if I wasn't understanding one of your
2 questions. If you were referring to the stated
3 size of the proposed combustion turbines as we now
4 stand, versus statements in my testimony or other
5 documents, where it refers to 100 megawatts should
6 be sited -- or generation should be sited north of
7 Martin substation, such that under contingency
8 conditions 100 megawatts would remain online.

9 As we are, and per the definition of the
10 amount of generation that would be available to
11 serve load from two of the combustion turbines, I
12 believe it's slightly less than 100 megawatts.

13 We have always stated 100 megawatts as
14 an approximate number. As the output to the
15 system to serve load from two of the CTs, as we
16 currently stand today, are they sufficient to
17 maintain the revised action plan as it's written.
18 And my answer is yes.

19 HEARING OFFICER FAY: Okay, thank you
20 for that clarification, Mr. Tobias. And we'll ask
21 the applicant if they're prepared to move forward
22 with their testimony on socioeconomics.

23 MS. SOL : Yes, Your Honor.

24 (Pause.)

25 MS. SOL : Your Honor, I would like to

1 call as witnesses Ms. Fatuma Yusuf and Mr. John
2 Carrier.

3 HEARING OFFICER FAY: All right, will
4 the court reporter please swear the witnesses.
5 Whereupon,

6 FATUMA YUSUF and JOHN CARRIER
7 were called as witnesses herein, and after first
8 having been duly sworn, were examined and
9 testified as follows:

10 THE COURT REPORTER: Please state and
11 spell your full names.

12 MR. CARRIER: John Carrier, J-o-h-n
13 C-a-r-r-i-e-r.

14 DR. YUSUF: Fatuma Yusuf, F-a-t-u-m-a
15 Y-u-s-u-f.

16 MS. SOL : The qualifications of Ms.
17 Yusuf and Mr. Carrier are attached as appendix A
18 to the prehearing conference statement of the
19 City.

20 DIRECT EXAMINATION

21 BY MS. SOL :

22 Q So, Mr. Carrier, I'd like you to turn to
23 page 25 of the City's testimony that was filed on
24 April 17th. For clarification, that's page 26 of
25 the document that was circulated on Thursday with

1 exhibit numbers put in.

2 There's a list there under number 1C,
3 prior filings. Does that list accurately reflect
4 the documents that you are submitting as your
5 testimony today?

6 MR. CARRIER: There are some changes
7 we'd like to make to that list. The third bullet,
8 which is exhibit 15, supplement A to the
9 application for certification for the San
10 Francisco Electric Reliability project, volume 2,
11 dated March 24, 2005, only included appendix 8.8B.
12 So we want to delete 8.8A.

13 Also, the fourth bullet, which is
14 exhibit 39, applicant's comments on the
15 preliminary staff assessment set 1, comment 42,
16 dated October 12, 2005. This comment dealt solely
17 with the environmental justice analysis, and so
18 should be removed from the socioeconomics, since
19 we're dealing with those topics separately.

20 And the same thing with bullet 5, which
21 is exhibit 40; it's the PSA comments, set 2. Same
22 thing, it's an environmental justice topic and not
23 a socioeconomic topic.

24 Other than that, they're fine.

25 MS. SOL : Do you have any further

1 corrections or additions?

2 MR. CARRIER: No.

3 MS. SOL : And with the changes that you
4 described, to the extent that there are facts in
5 these documents, are they true to the best of your
6 knowledge?

7 MR. CARRIER: Yes.

8 MS. SOL : And to the extent there are
9 opinions, do they represent your professional
10 judgment?

11 MR. CARRIER: Yes.

12 MS. SOL : I'd like to move to introduce
13 into evidence exhibit 1, which is the application
14 for certification for the San Francisco Electric
15 Reliability project, dated March 2004, volume 2,
16 appendix 8.8A; exhibit 15, the portion section
17 8.08 on socioeconomics, and that's the supplement
18 A to the application for certification for the San
19 Francisco Electric Reliability project, volume 1,
20 dated March 24, 2005.

21 Exhibit 15, appendix 8.8B, and that's
22 supplement A to the application for certification
23 for the San Francisco Electric Reliability
24 project, volume 2, dated March 24, 2005. And then
25 supplement -- exhibit 16, which is supplement B to

1 the application for certification for the San
2 Francisco Electric Reliability project dated
3 January 11, 2006, and that would be section 3.14,
4 which is on socioeconomics.

5 So I'd move to have those documents
6 entered into evidence at this time.

7 HEARING OFFICER FAY: And, Mr. Carrier
8 also mentioned changes to exhibit 39 and 40. Are
9 they to come in, as well?

10 MS. SOL : His clarification was that
11 those comments refer only to environmental
12 justice, and so they're not appropriately --

13 HEARING OFFICER FAY: Okay.

14 MS. SOL : -- sponsored by this panel.

15 HEARING OFFICER FAY: Thanks for that
16 clarification. Any objection to receiving those
17 exhibits? All right, hearing none, so moved.

18 MS. SOL : And so the witnesses are
19 available for cross-examination.

20 HEARING OFFICER FAY: Thank you. Mr.
21 Ratliff, does the staff have any questions?

22 MR. RATLIFF: No.

23 HEARING OFFICER FAY: Mr. Sarvey?

24 MR. SARVEY: Yes.

25 CROSS-EXAMINATION

1 BY MR. SARVEY:

2 Q What percentage of minorities did you
3 determine were within six miles of the project?

4 MR. RATLIFF: Mr. Fay, could I ask for
5 clarification as to -- my understanding is that
6 the testimony we're doing today is not
7 environmental justice, is that correct?

8 HEARING OFFICER FAY: That's true;
9 however, I think it does deal with demographics.

10 MR. RATLIFF: Okay, fine.

11 HEARING OFFICER FAY: That is the
12 measurement of the socioeconomic factors.

13 MR. CARRIER: I'll see if I can find
14 that number for you.

15 (Pause.)

16 MR. CARRIER: I think we have that
17 number only in relation to appendix 8.8A of the
18 original AFC which was not reduplicated when the
19 project site was relocated. So, on page 8.8A-3 we
20 identify within a six-mile radius a 57.7 percent
21 minority population.

22 MR. SARVEY: And did you analyze
23 percentage of minorities within one mile of the
24 project?

25 MR. CARRIER: On that same table it

1 shows that 42.3 percent within one mile.

2 MR. SARVEY: Does the applicant have any
3 programs to include minority residents in the
4 construction and operation of the project?

5 MS. SOL : Objection, Your Honor, that
6 is an environmental justice question.

7 HEARING OFFICER FAY: Why don't you hold
8 that for --

9 MR. SARVEY: Okay.

10 HEARING OFFICER FAY: -- the EJ issues.

11 MR. SARVEY: That's fine. That's all I
12 have, thanks.

13 HEARING OFFICER FAY: All right. Good.
14 Anything further, Ms. Sol,?

15 MS. SOL : No, Your Honor.

16 HEARING OFFICER FAY: Okay. Then I
17 thank the panel for the testimony, and move to the
18 staff witness.

19 MR. RATLIFF: The staff witness is James
20 Adams. He's been sworn.
21 Whereupon,

22 JAMES ADAMS
23 was recalled as a witness herein, and having been
24 previously duly sworn, was examined and testified
25 further as follows:

1 HEARING OFFICER FAY: Mr. Adams, you're
2 still under oath.

3 MR. ADAMS: Thank you, Your Honor, I'm
4 aware.

5 DIRECT EXAMINATION

6 BY MR. RATLIFF:

7 Q Mr. Adams, did you prepare the portion
8 of the staff testimony titled socioeconomics?

9 A Yes, I did.

10 Q And is that testimony true and correct
11 to the best of your knowledge and belief?

12 A It is.

13 Q Do you have any changes to make in that
14 testimony?

15 A I do not.

16 Q Thank you.

17 MR. RATLIFF: The witness is available -
18 - and I would move his testimony into evidence,
19 please.

20 HEARING OFFICER FAY: Okay, and staff
21 moves that portion of exhibit 46 entitled
22 socioeconomics, testimony of James Adams into
23 evidence. Is there objection? Hearing none, so
24 moved.

25 The witness is available. Ms. Sol,, any

1 questions of the staff witness?

2 MS. SOL : No.

3 HEARING OFFICER FAY: Mr. Sarvey, any
4 questions?

5 MR. SARVEY: No.

6 HEARING OFFICER FAY: Okay. Thank you,
7 Mr. Adams.

8 That concludes the taking of evidence.

9 Is there any public comment regarding
10 socioeconomics to the extent that it does not
11 involve environmental justice?

12 I see no indication in the audience and
13 I hear nothing online.

14 What I'd like to do at this moment,
15 then, is just ask the parties if there's any last-
16 minute revisions in sort of a prehearing
17 conference mode for our next set of hearings
18 beginning May 22nd.

19 MS. SOL : Your Honor, the only thing
20 that -- we will be filing testimony today and
21 there will be two additional witnesses with their
22 qualifications attached to that testimony -- well,
23 two or three, excuse me, three.

24 HEARING OFFICER FAY: All right. And
25 anything else?

1 MS. SOL : No.

2 HEARING OFFICER FAY: Okay, staff,
3 anything?

4 MR. RATLIFF: No, Mr. Fay.

5 HEARING OFFICER FAY: Mr. Sarvey?

6 MR. SARVEY: Yeah, I just have a
7 question on what -- and maybe you can't answer
8 this right now, but what topics will we be doing
9 on the 22nd?

10 HEARING OFFICER FAY: The topics include
11 alternatives, air quality, public health, biology,
12 waste management, soil and water resources and
13 environmental justice.

14 MR. SARVEY: And we're going to do all
15 those on the 22nd?

16 HEARING OFFICER FAY: We will attempt to
17 do them all on the 22nd.

18 MR. SARVEY: Okay.

19 HEARING OFFICER FAY: And we're
20 beginning at 9:00 a.m. in San Francisco. And
21 those we do not finish by the time that they force
22 us to leave the building, we will continue on May
23 31st.

24 MR. SARVEY: Do you have any order at
25 this time in which way we're going to go?

1 HEARING OFFICER FAY: That will be in
2 the hearing order that'll come out this week.

3 MR. SARVEY: Okay, thank you.

4 HEARING OFFICER FAY: Anything from the
5 Committee?

6 COMMISSIONER BOYD: No, look forward to
7 a productive and speedy May 22nd hearing.

8 HEARING OFFICER FAY: Any comments from
9 anybody online?

10 COMMISSIONER BOYD: And, excuse me, what
11 time do they close the building? We've had that
12 experience, I just can't remember.

13 COMMISSIONER GEESMAN: I want to say
14 6:00, but it may be --

15 COMMISSIONER BOYD: 6:00 p.m.

16 MR. RATLIFF: In our prior experience
17 down there on Potrero 7 we were able to go into
18 the evening. But I don't know, that requires some
19 advance planning. But I know we have had evening
20 hearings.

21 COMMISSIONER BOYD: We can find that
22 out. I think one of the dilemmas is some parking
23 lots in the area close, but then we can find that
24 out, as well.

25 HEARING OFFICER FAY: Okay. Anything

1 further, then?

2 All right, thank you, all. We are
3 adjourned until May 22nd.

4 (Whereupon, at 11:44 a.m., the hearing
5 was adjourned, to reconvene at 9:00
6 a.m., Monday, May 22, 2006, in San
7 Francisco, California.)

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CERTIFICATE OF REPORTER

I, PETER PETTY, an Electronic Reporter,
do hereby certify that I am a disinterested person
herein; that I recorded the foregoing California
Energy Commission Hearing; that it was thereafter
transcribed into typewriting.

I further certify that I am not of
counsel or attorney for any of the parties to said
hearing, nor in any way interested in outcome of
said hearing.

IN WITNESS WHEREOF, I have hereunto set
my hand this 9th day of May, 2006.

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